BIANCO LOUIS A
Form 4
December 29, 2010

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
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(Print or Type Responses)

1. Name and Address of Reporting Person *
BIANCO LOUIS A

(Last) (First) (Middle)

501 ELLIOTT AVENUE WEST, SUITE 400

(Street)

SEATTLE, WA 98119

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CELL THERAPEUTICS INC [CTIC]

3. Date of Earliest Transaction (Month/Day/Year)
12/27/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP, Finance & Administration

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/27/2010		D (1)		8,000	D	$ 0	5,810,249	D	
Common Stock								1,118	I	Trust for children

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BIANCO LOUIS A 501 ELLIOTT AVENUE WEST SUITE 400 SEATTLE, WA 98119			EVP, Finance & Administration	

Signatures

Louis A. Bianco	12/29/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents the forfeiture back to CTIC of shares of restricted stock. The restricted shares were originally awarded on December 27, 2007 and were subject to performance-based vesting conditions that were not satisfied.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. LE="font-family:Times New Roman" SIZE="1">***(Shares in thousands)*** **2009 2008 2007 Number**

of
Shares Weighted
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of
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Unvested, beginning of year	1,551	$9.06	1,873	$10.89	1,950	$10.71
Granted	2,690	1.92	797	6.86	897	11.09
Vested	(851)	7.32	(773)	10.88	(801)	10.74
Forfeited	(127)	6.12	(346)	9.83	(173)	10.60
Unvested, end of year	3,263	$3.74	1,551	$9.06	1,873	$10.89

The weighted average remaining contractual term for unvested restricted shares at December 31, 2009 and 2008 was 2.4 years and 2.2 years, respectively.

As of December 31, 2009, the total compensation cost related to nonvested stock options and restricted stock awards not yet recognized was $1.2 million and $6.4 million, respectively, that is expected to be recognized over the next 2.2 years on a weighted-average basis. These amounts exclude restricted stock awards for which performance criteria have yet to be determined and, accordingly, grant dates for those awards have not been established.

During the year ended December 31, 2009, Entegris, Inc. awarded no performance stock and during the years ended December 31, 2008 and 2007, Entegris, Inc. awarded performance stock for up to 0.5 million and 0.9 million shares for each year to be issued upon the achievement of performance conditions (Performance Shares) under the Company s stock incentive plans to certain officers and other key employees. The Performance Shares will be earned if, and to the extent that, various financial performance criteria for fiscal years 2007 through 2010 are achieved. The number of performance shares earned in a given year may vary based on the level of achievement of financial performance objectives for that year or multi-year period. If the Company s performance fails to achieve the specified performance threshold, then the Performance Shares allocated to that financial performance criteria are forfeited. Each annual tranche will have its own service period beginning at the date (the grant date) at which the Board of Directors establishes the annual performance targets for the applicable year. Compensation expense to be recorded in connection with the Performance Shares will be based on the grant date fair value of the Company s common stock. Awards of Performance Shares are expensed over the service period based on an evaluation of the probability of achieving the performance objectives.

For Performance Share awards granted in 2007, 50% of the shares are available to be awarded, if and to the extent that two financial performance criteria for fiscal year 2007 are achieved, while the remaining 50% of the shares are available to be awarded if and to the extent that a third financial performance criteria for the three-year

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period including fiscal years 2007 through 2009 is achieved. The number of performance shares earned may vary based on the level of achievement of financial performance criteria indicated. If the Company s performance fails to achieve the specified performance threshold, then the performance shares are forfeited. Compensation expense to be recorded in connection with the 2007 Performance Shares is based on the grant date fair value of the Company s common stock on the date the financial performance criteria were established. All shares earned in connection with the 2007 Performance Share awards are also subject to service conditions. Shares available upon attainment of the financial performance criteria for fiscal year 2007 vest annually over a four-year period, while shares available upon attainment of the financial performance criteria for the three-year period from fiscal years 2007 through 2009 will be three-quarters vested at the end of 2009, with the final 25% vesting in 2010. At December 31, 2007, the Company determined that it achieved one, but not the second, of the financial performance criteria for fiscal year 2007. Consequently, shared-based compensation expense of $0.6 million and $0.1 million was recorded in 2007 and 2009, respectively, in connection with the fiscal year 2007 financial performance criteria of the Performance Share awards granted in 2007. At December 31, 2009, the Company determined that the financial performance criteria for the three-year period including fiscal years 2007 through 2009 was not achieved and, consequently, no shared-based compensation expense has been recorded in connection with the third financial performance criteria of the Performance Share awards granted in 2007.

For Performance Share awards granted in 2008, 100% of the shares are available to be awarded if and to the extent that financial performance criteria for the three-year period including fiscal years 2008 through 2010 are achieved. The number of performance shares earned may vary based on the level of achievement of financial performance criteria indicated. If the Company s performance fails to achieve the specified performance threshold, then the performance shares are forfeited. Compensation expense to be recorded in connection with the 2008 Performance Shares is based on the grant date fair value of the Company s common stock on the date the financial performance criteria were established. All shares earned in connection with the 2008 Performance Share awards are also subject to service conditions. Shares available upon attainment of the financial performance criteria for the three-year period from fiscal years 2008 through 2010 will be three-quarters vested at the end of 2010, with the final 25% vesting in 2011. As of December 31, 2009, the Company expects that the financial performance criteria for the three-year period including fiscal years 2008 through 2010 will not be achieved and, consequently, no shared-based compensation expense has been recorded in connection with the Performance Share awards granted in 2008.

Valuation and Expense Information under ASC 718

The following table summarizes the allocation of share-based compensation expense related to employee stock options, restricted stock awards and grants under the employee stock purchase plan accounted for under ASC 718 for the years ended December 31, 2009, 2008 and 2007:

(In thousands)	**2009**	**2008**	**2007**
Cost of sales	$ 704	$ 1,026	$ 1,800
Engineering, research and development expenses	482	513	180
Selling, general and administrative expenses	6,865	5,836	8,520
Share-based compensation expense	8,051	7,375	10,500
Tax benefit		2,751	3,948
Share-based compensation expense, net of tax	$ 8,051	$ 4,624	$ 6,552

Stock options

Share-based payment awards in the form of stock option awards for 1.5 million and 0.9 million options were granted to employees during the years ended December 31, 2009 and 2008, respectively with no stock option awards granted during the year ended December 31, 2007. Compensation expense is based on the grant date fair value estimated in accordance with the provisions of ASC 718. The awards vest annually over a three-year period

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and have a contractual term of 7 years. The Company estimates the fair value of stock options using the Black-Scholes valuation model, consistent with the provisions of ASC 718. Key inputs and assumptions used to estimate the fair value of stock options include the grant price of the award, the expected option term, volatility of the Company s stock, the risk-free rate and the Company s dividend yield. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive equity awards, and subsequent events are not indicative of reasonableness of the original estimates of fair value made by the Company. The weighted-average grant date exercise price of options awarded in 2009 and 2008 was $1.13 and $6.58, respectively.

The fair value of each stock option grant was estimated at the date of grant using a Black-Scholes option pricing model. The following table presents the weighted-average assumptions used in the valuation and the resulting weighted-average fair value per option granted for the years ended December 31, 2009 and 2008:

Employee stock options:	**2009**	**2008**
Volatility	53.9%	37.1%
Risk-free interest rate	1.6%	3.1%
Dividend yield	0%	0%
Expected life	4 years	4 years
Weighted average fair value per option	$ 0.48	$ 2.17

A historical daily measurement of volatility is determined based on the expected life of the option granted. The risk-free interest rate is determined by reference to the yield on an outstanding U.S. Treasury note with a term equal to the expected life of the option granted. Expected life is determined by reference to the Company s historical experience. The Company determines the dividend yield by dividing the expected annual dividend on the Company s stock by the option exercise price.

Shareholder Rights Plan On July 27, 2005, the Company s Board of Directors adopted a shareholder rights plan (the Rights Plan) pursuant to which Entegris declared a dividend on August 8, 2005 to its shareholders of record on that date of one preferred share purchase right (a Right) for each share of Entegris common stock owned on August 8, 2005 and authorized the issuance of Rights in connection with future issuances of Entegris common stock. Each Right entitles the holder to purchase one-hundredth of a share of a series of preferred stock at an exercise price of $50, subject to adjustment as provided in the Rights Plan. The Rights Plan is designed to protect Entegris shareholders from attempts by others to acquire Entegris on terms or by using tactics that could deny all shareholders the opportunity to realize the full value of their investment. The Rights are attached to the shares of the Company s common stock until certain triggering events specified in the Rights Agreement occur, including, unless approved by the Company s Board of Directors, an acquisition by a person or group of specified levels of beneficial ownership of Entegris common stock or a tender offer for Entegris common stock. Upon the occurrence of any of these triggering events, the Rights authorize the holders to purchase at the then-current exercise price for the Rights, that number of shares of the Company s common stock having a value equal to twice the exercise price. The Rights are redeemable by the Company for $0.01 and will expire on August 8, 2015. One of the events which will trigger the Rights is the acquisition, or commencement of a tender offer, by a person (an Acquiring Person, as defined in the shareholder rights plan), other than Entegris or any of its subsidiaries or employee benefit plans, of 15% or more of the outstanding shares of the Company s common stock. An Acquiring Person may not exercise a Right.

(18) BENEFIT PLANS

401(k) Plan The Company maintains the Entegris, Inc. 401(k) Savings and Profit Sharing Plan (the 401(k) Plan) that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the Plan, eligible employees may defer a portion of their pretax wages, up to the Internal Revenue Service annual contribution limit. Entegris matches 100% of employees contributions on the first 3% of eligible wages and 50% of employees contributions on the next 2% of eligible wages, or a maximum match of 4% of the employee s eligible wages. During the first quarter of 2009, the Company reduced by one-half its match of employee

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contributions; later in the quarter the match of employee contributions was eliminated in full for the remainder of the year. The Company s matching contribution was reinstated beginning in January 2010. In addition to the matching contribution, the Company s Board of Directors may, at its discretion, declare a profit sharing contribution as a percentage of eligible wages based on the Company s worldwide operating results. The employer profit sharing and matching contribution expense under the Plan was $0.4 million, $3.0 million and $5.9 million in the fiscal years ended December 31, 2009, 2008 and 2007, respectively.

Supplemental Savings and Retirement Plan The Company also maintains the Supplemental Savings and Retirement Plan (the Supplemental Plan). Under the Supplemental Plan, certain senior executives are allowed certain salary deferral benefits that would otherwise be lost by reason of restrictions imposed by the Internal Revenue Code limiting the amount of compensation which may be deferred under tax-qualified plans. Liabilities of $1.6 million and $2.2 million at December 31, 2009 and 2008, respectively, related to the Supplemental Plan are included in the consolidated balance sheets under the caption Pension benefit obligations and other liabilities . The Company recorded expense of $0.2 million in the year ended December 31, 2009, income of $0.8 million in the year ended December 31, 2008 and expense of $0.3 million in the year ended December 31, 2007 related to the Supplemental Plan.

Defined Benefit Plans The employees of the Company s subsidiaries in Japan, Taiwan and Germany are covered in defined benefit pension plans. The Company uses a December 31 measurement date for its pension plans.

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The tables below set forth the Company s estimated funded status as of December 31, 2009 and 2008:

(In thousands)	2009	2008
Change in benefit obligation:		
Benefit obligation at beginning of period	$ 22,196	$ 17,693
Plan amendments	124	
Service cost	1,520	1,411
Interest cost	350	334
Actuarial losses (gains)	885	(63)
Benefits paid	(2,811)	(1,210)
Curtailments	(71)	
Foreign exchange impact	(397)	4,031
Benefit obligation at end of period	21,796	22,196
Change in plan assets:		
Fair value of plan assets at beginning of period	4,687	4,442
Return on plan assets	346	(1,286)
Employer contributions	1,078	1,047
Benefits paid	(1,349)	(426)
Foreign exchange impact	(81)	910
Fair value of plan assets at end of period	4,681	4,687
Funded status:		
Plan assets less than benefit obligation	(17,115)	(17,509)
Net amount recognized	$ (17,115)	$ (17,509)
Amounts recognized in the consolidated balance sheet consist of:		
Noncurrent liability	$ (17,115)	$ (17,509)
Accumulated other comprehensive loss, net of taxes	2,313	1,961
Amounts recognized in accumulated other comprehensive loss, net of tax consist of:		
Net actuarial loss	$ 2,572	$ 1,990
Prior service cost	1,221	1,268
Unrecognized transition obligation	(13)	(14)
Gross amount recognized	3,780	3,244
Deferred income taxes	(1,467)	(1,283)
Net amount recognized	$ 2,313	$ 1,961

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

(In thousands)	2009	2008
Projected benefit obligation	$ 21,796	$ 22,196
Accumulated benefit obligation	19,060	20,181
Fair value of plan assets	4,681	4,687

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The components of the net periodic benefit cost for the years ended December 31, 2009, 2008 and 2007 are as follows:

(In thousands)	**2009**	**2008**	**2007**
Pension benefits:			
Service cost	$ 1,520	$ 1,411	$ 1,165
Interest cost	350	334	307
Expected return on plan assets	(72)	(74)	(30)
Amortization of prior service cost	153	134	10
Amortization of net transition obligation	(1)	(1)	(1)
Recognized actuarial net loss	222	66	114
Curtailments	(71)		
Net periodic pension benefit cost	$ 2,101	$ 1,870	$ 1,565

The estimated amount that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2010 is as follows:

(In thousands)	
Transition obligation	$ (1)
Prior service cost	(71)
Net actuarial loss	(42)
	$ (114)

Assumptions used in determining the benefit obligation and net periodic benefit cost for the Company s pension plans for the years ended December 31, 2009, 2008 and 2007 are presented in the following table as weighted-averages:

	2009	**2008**	**2007**
Benefit obligations:			
Discount rate	1.40%	1.66%	1.78%
Rate of compensation increase	5.21%	6.56%	6.53%
Net periodic benefit cost:			
Discount rate	1.74%	1.77%	2.05%
Rate of compensation increase	6.38%	6.55%	2.26%
Expected return on plan assets	1.49%	1.58%	0.90%

The plans expected return on assets as shown above is based on management s expectations of long-term average rates of return to be achieved by the underlying investment portfolios. In establishing this assumption, management considers historical and expected returns for the asset classes in which the plans are invested, as well as current economic and capital market conditions. The discount rate primarily used by the Company is based on the Japan Government Bond index compiled by the Japan Securities Dealers Association for long-term government bonds with terms equivalent to the weighted average remaining service period of the employees in the plan.

Plan Assets

At December 31, 2009, the majority of the Company s pension plan assets are invested in a Japanese insurance company s investment funds which consist mainly of equity and debt securities. The remaining portion of the Company s plan assets is deposited in Bank of Taiwan in the form of cash, where Bank of Taiwan is the assigned funding vehicle for the statutory retirement benefit.

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The fair value measurements of the Company s pension plan assets at December 31, 2009, by asset category are as follows:

(in thousands) Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Japan Plan assets[a]	$ 4,370		$ 4,370	
Taiwan Plan assets[b]	311		311	
	$ 4,681		$ 4,681	

(a) The Company selects a pre-packaged portfolio pooled investment fund that is conservative. This fund includes investments that are both U.S. and non U.S. in nature in approximately 52% equities, 44% bonds, and 4% other investments to boost earnings in the medium and long terms while adopting a flexible hedging approach to reduce risk.

(b) This category includes investments in the government of Taiwan s pension fund. The government of Taiwan is responsible for the strategy and allocation of the investment contributions.

Cash Flows

The Company expects to contribute $1.1 million to its defined benefit pension plans during 2010. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

(In thousands)	
2010	$ 800
2011	341
2012	516
2013	576
2014	331
Years 2015-2019	$ 4,381

(19) FAIR VALUE MEASUREMENTS

Effective January 1, 2008, the Company adopted ASC 820, *Fair Value Measurements and Disclosures*, (ASC 820), except for non-recurring financial assets and liabilities, and nonfinancial assets and liabilities, for which ASC 820 was adopted on January 1, 2009.

ASC 820 provides a framework for measuring fair value under generally accepted accounting principles. As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that the Company believes market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated or generally unobservable.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of the fair value hierarchy defined by ASC 820 are as follows:

Level 1 Quoted prices in active markets accessible at the reporting date for identical assets and liabilities.

Level 2 Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets and liabilities in markets that are not considered active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 Prices or valuations that require inputs that are significant to the valuation and are unobservable.

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A financial instrument s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Other than cash and cash equivalents, the Company had no assets and liabilities measured on a recurring basis at December 31, 2009.

In the fourth quarter 2009, the Company recorded an other-than-temporary impairment of $1.0 million for an equity method investment. The fair value of the investment after impairment was zero at December 31, 2009 and is classified as a Level 3 investment in the fair value hierarchy.

The fair value measurements of the assets acquired and liabilities assumed in the acquisition of Pureline as described in Note 3 to the consolidated financial statements were generally based on valuations involving significant unobservable inputs, or Level 3 in the fair value hierarchy.

Effective January 1, 2008, the Company adopted certain aspects of ASC 825, *Financial Instruments*, (ASC 825), which provides an option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments and written loan commitments not previously recorded at fair value. Upon the adoption of ASC 825, the Company did not elect to apply the fair value provisions to any of the items set forth in ASC 825.

(20) (LOSS) EARNINGS PER SHARE (EPS)

Basic EPS is computed by dividing net (loss) income by the weighted average number of shares of common stock outstanding during each period. The following table presents a reconciliation of the share amounts used in the computation of basic and diluted earnings per share for the years ended December 31, 2009, 2008 and 2007:

(In thousands)	**2009**	**2008**	**2007**
Basic (loss) earnings per share Weighted common shares outstanding	117,321	112,653	124,339
Weighted common shares assumed upon exercise of options and vesting of restricted stock units			1,919
Diluted (loss) earnings per share Weighted common shares outstanding	117,321	112,653	126,258

Approximately 3.6 million of the Company s stock options were excluded from the calculation of diluted earnings per share in the fiscal year ended December 31, 2007 because the exercise prices of the stock options were greater than the average price of the Company s common stock, and therefore their inclusion would have been antidilutive. The effect of the inclusion of stock options and unvested restricted common stock for the years ended December 31, 2009 and 2008, respectively, would have been anti-dilutive.

Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of EPS pursuant to the two-class method under the requirements of paragraph ASC 260-10-45-60A. This provision of ASC was effective for the Company January 1, 2009 and the adoption of this provision affected the computation of basic and diluted shares outstanding for the year ended December 2007 as follows: Basic earnings per common share from continuing operations was reduced from $0.38 to $0.37 and diluted net income per common share was reduced from $0.36 to $0.35. The years ended December 31, 2009 and 2008, respectively, were not affected given the net loss for the periods.

(21) SEGMENT INFORMATION

Effective January 1, 2009, the Company changed its financial segment reporting to reflect management and organizational changes made by the Company. Periods prior to 2009 have been restated to reflect the basis of segmentation presented below. The Company s three reportable operating segments are business divisions that

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provide unique products and services. Effective January 1, 2009, each operating segment is separately managed and has separate financial information evaluated regularly by the Company s chief operating decision maker in determining resource allocation and assessing performance.

The Company s financial reporting segments are Contamination Control Solutions (CCS), Microenvironments (ME), and Entegris Specialty Materials (ESM).

CCS: provides a wide range of products and subsystems that purify, monitor and deliver critical liquids and gases used in the semiconductor manufacturing process.

ME: provides products that protect wafers, reticles and electronic components at various stages of transport, processing and storage.

ESM: provides specialized graphite components used in semiconductor equipment and offers low-temperature, plasma-enhanced chemical vapor deposition coatings of critical components of semiconductor manufacturing equipment used in various stages of the manufacturing process.

Summarized financial information for the Company s reportable segments is shown in the following table:

(In thousands)	**2009**	**2008**	**2007**
Net sales			
CCS	$ 241,163	$ 330,810	$ 382,182
ME	111,465	190,761	235,168
ESM	46,016	33,128	8,888
Total net sales	$ 398,644	$ 554,699	$ 626,238

Intersegment sales are not significant.

(In thousands)	**2009**	**2008**	**2007**
Segment profit			
CCS	$ 30,846	$ 77,024	$ 109,725
ME	4,066	24,276	40,804
ESM	2,925	9,250	1,102
Total segment profit	$ 37,837	$ 110,550	$ 151,631

(In thousands)	**2009**	**2008**	**2007**
Total assets			
CCS	$ 194,051	$ 198,991	$ 241,768
ME	84,782	92,452	108,360
ESM	120,377	134,998	45,714
Goodwill			402,125
Corporate	105,462	171,383	237,274
Total assets	$ 504,672	$ 597,824	$ 1,035,241

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Corporate assets consist primarily of cash and cash equivalents, assets of discontinued operations, assets held for sale, investments, deferred tax assets and deferred tax charges. Through December 31, 2008, the Company operated as one reportable segment; accordingly, the Company s goodwill was not attributed to the Company s segments.

(In thousands)	2009	2008	2007
Depreciation and amortization			
CCS	$ 22,325	$ 24,423	$ 25,811
ME	10,093	10,453	12,045
ESM	11,929	6,442	1,294
Corporate	5,780	5,025	4,626
Total depreciation and amortization	$ 50,127	$ 46,343	$ 43,776

(In thousands)	2009	2008	2007
Capital expenditures			
CCS	$ 7,818	$ 11,737	$ 10,143
ME	3,406	8,545	10,572
ESM	459	1,570	806
Corporate	1,479	5,135	5,398
Total capital expenditures	$ 13,162	$ 26,987	$ 26,919

Segment profit is defined as net sales less direct segment operating expenses, excluding certain unallocated expenses, consisting mainly of general and administrative costs for the Company s human resources, finance and information technology functions, amortization of intangible assets, impairment of goodwill, charges for the fair market value write-up of acquired inventory sold and restructuring charges and before interest expense, income taxes and equity in the earnings of affiliates. The following table reconciles total segment profit to operating income:

(In thousands)	2009	2008	2007
Total segment profit (loss)	$ 37,837	$ 110,550	$ 151,631
Amortization of intangibles	(19,237)	(19,585)	(18,874)
Restructuring charges	(15,463)	(10,423)	
Charge for fair value mark-up of acquired inventory sold	(4,553)	(13,519)	(836)
Impairment of goodwill		(473,799)	
Unallocated general and administrative expenses	(47,512)	(73,133)	(88,203)
Operating (loss) income	$ (48,928)	$ (479,909)	$ 43,718

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The following table presents amortization of intangibles, restructuring charges and charges for fair value mark-up of acquired inventory sold for each of the Company s segments for the years ended December 31, 2009, 2008 and 2007:

(In thousands)	2009	2008	2007
Amortization of intangibles			
CCS	$ 13,201	$ 15,327	$ 16,926
ME	647	705	1,050
ESM	5,389	3,553	898
	$ 19,237	$ 19,585	$ 18,874
Restructuring charges			
CCS	$ 2,713	$ 1,454	
ME	7,375	3,528	
ESM	299		
Corporate	5,076	5,441	
	$ 15,463	$ 10,423	
Charge for fair value mark-up of acquired inventory sold			
CCS	$ 488	$	$
ESM	4,065	13,519	836
	$ 4,553	$ 13,519	$ 836

The following table summarizes the Company s total net sales by markets served for the years ended December 31, 2009, 2008 and 2007:

(In thousands)	2009	2008	2007
Net sales:			
Semiconductor	$ 282,193	$ 419,132	$ 482,083
Data storage	11,958	24,526	37,334
Other	104,493	111,041	106,821
	$ 398,644	$ 554,699	$ 626,238

The following tables summarize total net sales, based upon the country to which sales to external customers were made, and property, plant and equipment attributed to significant countries for the years ended December 31, 2009, 2008 and 2007:

(In thousands)	2009	2008	2007
Net sales:			
United States	$ 114,009	$ 153,098	$ 163,146
Japan	74,214	115,589	144,231
Germany	13,331	21,264	30,508
Taiwan	64,907	72,792	89,012
Singapore	16,614	29,603	34,168
South Korea	30,960	40,954	51,477
Malaysia	7,101	14,750	21,230
China	19,332	21,868	18,504
Other	58,176	84,781	73,962

	$ 398,644	$ 554,699	$ 626,238

(In thousands)	**2009**	**2008**	**2007**
Property, plant and equipment:			
United States	$ 69,652	$ 94,175	$ 63,774
Japan	27,817	30,891	22,481
Malaysia	26,204	26,247	27,270
Other	11,758	8,425	7,632
	$ 135,431	$ 159,738	$ 121,157

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In the years ended December 31, 2009, 2008 and 2007, no single nonaffiliated customer accounted for 10% or more of net sales. In the years ended December 31, 2009, 2008 and 2007, net sales to the Company s top ten customers accounted for approximately 29%, 26% and 28%, respectively, of the Company s net sales.

(22) COMMITMENTS AND CONTINGENT LIABILITIES

The Company is subject to various claims, legal actions, and complaints arising in the ordinary course of business. The Company believes the final outcome of these matters will not have a material adverse effect on its consolidated financial position or results of operations. The Company expenses legal costs as incurred. The following discussion provides information regarding certain litigation to which the Company was a party that were pending as of December 31, 2009.

As previously disclosed, on March 3, 2003 the Company s predecessor, Mykrolis Corporation, filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of two of the Company s U.S. patents by certain fluid separation systems and related assemblies used in photolithography applications manufactured and sold by the defendant. The Company s lawsuit sought a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of any infringing product as well as damages. On April 30, 2004, the Court issued a preliminary injunction against Pall Corporation and ordered Pall to immediately stop making, using, selling, or offering to sell within the U.S., or importing into the U.S., its PhotoKleen EZD-2 Filter Assembly products or any colorable imitation of those products. On January 18, 2005, the Court issued an order holding Pall Corporation in contempt of court for the violation of the preliminary injunction and ordering Pall to disgorge all profits earned from the sale of its PhotoKleen EZD-2 Filter Assembly products and colorable imitations thereof from the date the preliminary injunction was issued through January 12, 2005. In addition, Pall was also ordered to reimburse Mykrolis for certain of its attorney s fees associated with the contempt and related proceedings. The Court s order also dissolved the preliminary injunction, effective January 12, 2005, based on certain prior art cited by Pall which it alleged raised questions as to the validity of the patents in suit. On February 17, 2005, the Company filed notice of appeal to the U.S. Circuit Court of Appeals for the Federal Circuit appealing the portion of the Court s order that dissolved the preliminary injunction and Pall filed a notice of appeal to that court with respect to the finding of contempt and the award of attorneys fees. On June 13, 2007 the Court of Appeals issued an opinion dismissing Pall s appeal for lack of jurisdiction and affirming the District Court s order dissolving the preliminary injunction.

On April 6, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company s newly issued U.S. patent No. 7,021,667 by certain filter assembly products used in photolithography applications that are manufactured and sold by the defendant. The Company s lawsuit seeks a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of the infringing products as well as damages. On October 23, 2006 the Company s motion for preliminary injunction was argued before the court. On March 31, 2008 the court issued an order denying the Company s motion for a preliminary injunction.

On August 23, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company s newly issued U.S. patent No. 7,037,424 by certain fluid separation modules and related separation apparatus, including the product known as the EZD-3 Filter Assembly, used in photolithography applications that are manufactured and sold by the defendant. The Company s lawsuit seeks a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of the infringing products as well as damages. It is believed that the EZD-3 Filter Assembly was introduced into the market by the defendant in response to the action brought by the Company in March of 2003 as described above. On May 5, 2008, the court issued an order consolidating this case with the two cases described in the preceding paragraphs for purposes of discovery; these cases are currently in the discovery stage.

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As previously disclosed, on December 16, 2005 Pall Corporation filed suit against the Company in U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges infringement of two of plaintiff s patents by one of the Company s gas filtration products and by the packaging for certain of the Company s liquid filtration products. This lawsuit seeks damages for the alleged infringements. Both products and their predecessor products have been on the market for a number of years. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently awaiting a hearing before the court for claim construction of the patents in suit.

On May, 4, 2007 Pall Corporation filed a lawsuit against the Company in the U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges that certain of the Company s point-of-use filtration products infringe a newly issued Pall patent, as well as three older Pall patents. Pall s action, which relates only to the U.S., asserts that on information and belief the Company s Impact 2 and Impact Plus point-of-use photoresist filters infringe a patent issued to Pall on March 27, 2007, as well as three older patents. In the course of discovery, Pall has alleged that additional products infringe its patents. This lawsuit seeks damages for the alleged infringements. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently in the discovery stage.

(23) SUBSEQUENT EVENTS

Subsequent events have been evaluated up to and including February 25, 2010, which is the date these financial statements were issued.

(24) QUARTERLY INFORMATION-UNAUDITED

	Fiscal quarter ended			
(In thousands, except per share data)	**March 28, 2009**	**June 27, 2009**	**September 26, 2009**	**December 31, 2009**
Net sales	$ 59,038	$ 82,576	$ 110,706	$ 146,324
Gross profit	5,018	23,730	44,777	64,287
Net (loss) income attributable to Entegris, Inc.	(37,745)	(22,492)	(7,608)	10,124
Basic (loss) income per share attributable to Entegris, Inc. Net (loss) income	(0.34)	(0.20)	(0.07)	0.08
Diluted loss per share attributable to Entegris, Inc. Net (loss) income	(0.34)	(0.20)	(0.07)	0.08

	Fiscal quarter ended			
(In thousands, except per share data)	**March 29, 2008**	**June 28, 2008**	**September 27, 2008**	**December 31, 2008**
Net sales	$ 148,227	$ 147,947	$ 145,789	$ 112,736
Gross profit	63,988	59,887	55,398	32,242
Net income (loss) from continuing operations	3,208	5,525	(392,912)	(131,718)
Net loss from discontinued operations	(343)	(592)	(90)	(80)
Net income (loss) attributable to Entegris, Inc.	2,865	4,933	(393,002)	(131,798)
Basic earnings (loss) per share attributable to Entegris, Inc.				
Continuing operations	0.03	0.05	(3.51)	(1.18)
Discontinued operations	0.00	(0.01)	(0.00)	0.00
Net income (loss)	0.03	0.04	(3.52)	(1.18)
Diluted earnings (loss) per share attributable to Entegris, Inc.				
Continuing operations	0.03	0.05	(3.51)	(1.18)
Discontinued operations	(0.00)	(0.01)	(0.00)	0.00
Net income (loss)	0.02	0.04	(3.52)	(1.18)